

FISCAL NOTE

SB 3739 - HB 3845

March 18, 2006

SUMMARY OF BILL: Establishes the "TennCare Pharmacy Cost to Dispense Act of 2006" which requires the Bureau of TennCare to competitively procure an annual study designed to accurately assess the costs of dispensing a prescription in a retail or community pharmacy setting to a TennCare enrollee.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$142,600

Other Fiscal Impact – Increase Federal Expenditures – \$142,600

Assumptions:

- The study must be performed by one of the accredited colleges or universities of pharmacy in the state.
- Compared to a similar contract that the University of North Carolina conducts for the State of North Carolina, the total annual cost is estimated to increase expenditures \$285,200.
- Personnel costs with benefits are estimated at \$148,000, operating costs which include mailings, printings, travel, communications and the final report printings are estimated at \$100,000; and indirect costs estimated at \$37,200.
- The TennCare Bureau would receive a 50% federal match rate for the cost of the study.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James W. White, Executive Director